

**Before the
Public Service Commission of South Carolina
Docket No. 2018-4-G**

**Annual Review of Purchased Gas Adjustment and Gas Purchasing Policies
of
Piedmont Natural Gas Company, Inc.**

**Testimony and Exhibits
of
MaryBeth Tomlinson**

**On Behalf Of
Piedmont Natural Gas Company, Inc.**



June 1, 2018

1 **Q. Please state your name and business address.**

2 A. My name is MaryBeth Tomlinson. My business address is 4720 Piedmont Row
3 Drive, Charlotte, North Carolina.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am employed by Duke Energy as the Manager of Gas Accounting for
6 Piedmont Natural Gas Company Inc. ("Piedmont").

7 **Q. Please briefly describe your education and experience.**

8 A. I received a B.A. degree in Accounting from Belmont Abbey College in
9 Belmont, NC in 1985. In 1985, I was employed by Hobbs, Crossley and
10 Blacka P.A. as a staff accountant. In 1987, I was employed by ALLTEL
11 Corporation as Manager of General Accounting. In 1995, I was employed by
12 SeaLand Service Corporation as Manager of Vessel Accounting. In 1999, I
13 was employed by United States Ship Management, LLC (USSM) as Manager
14 of General Accounting. In 2005, I was employed by HSBC Mortgage Corp. as
15 Manager of Accounting. In 2007, I was employed by Piedmont Natural Gas
16 Company, Inc. ("Piedmont") as Manager of Special Projects. In February
17 2008, I became the Manager of Corporate Accounting. In August 2012, this
18 department was divided between two managers and I became the Manager of
19 Plant Accounting and Accounts Payable. I accepted the position as the
20 Manager of Gas Accounting in January 2015.

21 **Q. Please describe your responsibilities as Manager of Gas Accounting.**

22 A. My responsibilities include: recording the cost of gas on Piedmont's books,
23 maintaining a proper match of revenues and cost of gas in Piedmont's income

1 statements, recording Piedmont's margin in accordance with regulatory
2 requirements in each of the three state jurisdictions in which Piedmont
3 operates, verifying volumes and prices on all invoices relating to the purchase
4 and transportation of natural gas, and recording gas inventory accounts and
5 deferred accounts.

6 **Q. Have you previously testified before this Commission or any other**
7 **regulatory authority?**

8 A. Yes. I have previously testified before this Commission and the North Carolina
9 Utilities Commission.

10 **Q. What is the purpose of your testimony in this proceeding?**

11 A. The purpose of my testimony in this proceeding is to report Piedmont's end-of-
12 period balances in and accounting for its deferred gas costs accounts in order to
13 permit the Commission to determine that Piedmont's true-up procedures for the
14 review period of April 2017 – March 2018 have resulted in a properly stated
15 cost of gas and that Piedmont's gas costs are properly recorded in compliance
16 with Piedmont's Gas Cost Recovery Mechanism and hedging plan.

17 **Q. Has the Office of Regulatory Staff ("ORS") reviewed Piedmont's**
18 **accounting for its cost of gas for the review period in this proceeding?**

19 A. Yes. The Commission has previously ordered the Company to maintain an
20 account reflecting its gas costs each month, the amount of gas costs recovered
21 each month, and amounts deferred each month. The audit staff of the ORS has

1 conducted a detailed audit and review of the review period activity in that
2 account, as well as the detailed data supporting the accounting entries to that
3 account. A summary of the review period activity in that account is attached
4 hereto as **Exhibit__ (MBT-1)**.

5 **Q. Does the Company also maintain a hedging deferred account?**

6 A. Yes. Effective April 1, 2002, Piedmont implemented an experimental natural
7 gas hedging program pursuant to Commission Order No. 2002-223. Pursuant
8 to this program, Piedmont maintains a Hedging Deferred Account in which it
9 records the results of its hedging activities undertaken in accordance with its
10 hedging plan. The audit staff of the ORS has also conducted a detailed review
11 of the activity in this account and the detailed accounting data supporting that
12 activity. A summary of the review period activity in Piedmont's Hedging
13 Deferred Account is attached hereto as **Exhibit__ (MBT-2)**.

14
15 **Q. Have the Company's Review Period gas costs been properly accounted**
16 **for?**

17 A. Yes.

18 **Q. Does this conclude your testimony?**

19 A. Yes.

Piedmont Natural Gas Company, Inc.
Annual Review
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Exhibit__(MBT-1)

Piedmont Natural Gas Co., Inc. - South Carolina
Gas Cost Deferral Account Activity
Annual Prudence Review - Docket No. 2018-4-G
12 Months Ended March 31, 2018
Debits = Due from Customers (Credits) = Due to Customers

Exhibit (MIST-1)

Beginning Month	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Ending Month	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Beginning Balance	8,156,421.83	8,183,621.42	8,781,853.30	8,808,782.45	8,848,664.06	10,331,804.30	10,910,867.88	11,371,341.21	8,725,841.54	5,741,500.04	(1,381,588.80)	(987,430.12)	
Billed vs. Filed Commodity True - Up	(598,202.06)	(118,506.51)	(162,748.28)	(777,180.93)	(253,502.28)	(314,001.36)	(255,043.82)	(1,080,431.42)	(1,309,208.83)	(1,087,215.02)	1,357,534.50	181,821.74	(4,487,665.30)
Demand True-Up	728,000.09	901,788.14	1,017,878.95	880,956.11	1,066,365.54	1,024,998.59	782,589.88	(354,831.84)	(1,539,066.00)	(3,190,787.59)	(830,915.41)	(847,175.85)	(361,787.51)
Negotiated Losses	-	-	-	-	-	-	-	-	-	-	-	-	-
Capacity Release Credits	(157,861.18)	(200,436.30)	(193,902.14)	(197,735.41)	(188,107.88)	(184,414.65)	(158,814.25)	(438,511.57)	(428,708.73)	(438,820.17)	(385,809.01)	(525,078.88)	(2,529,257.97)
SC Portion of Off System Sales Revenue	(296,223.82)	(395,824.21)	(565,322.65)	(865,436.75)	(551,706.03)	(587,244.44)	(239,988.26)	(450,343.84)	(2,478,471.31)	(1,766,103.59)	(856,745.58)	(1,710,983.66)	(10,540,807.80)
SC Portion of Off System Sales Costs	287,773.24	370,927.77	525,117.60	613,826.81	487,404.12	498,983.06	180,140.15	421,555.53	1,285,922.84	1,281,724.80	758,761.44	1,824,003.24	8,302,180.80
WNA	795.83	481.89	108.97	283.84	128.81	110.84	780.90	248,355.28	310,288.20	(1,819,581.73)	346,186.82	1,583,238.21	889,124.08
Supplier Refunds	(789.45)	(24,345.82)	(768.38)	-	-	-	-	(233.85)	-	-	(18,123.71)	(4.00)	(42,275.01)
SC Unreimbursed	23,534.20	25,944.77	31,079.15	32,479.82	35,342.79	15,923.82	8,820.10	(8,830.20)	(1,799.87)	(5,244.45)	4,098.74	15,741.83	180,782.70
Monthly Hedging Trimmer	19,242.20	13,024.70	153,824.70	129,121.70	114,265.20	88,383.70	113,098.80	746.00	178,116.00	748.00	32,453.00	86,036.50	941,030.20
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance Before Interest	8,163,680.78	8,781,845.05	9,868,220.21	9,825,087.44	10,306,852.37	10,884,841.66	11,343,300.83	8,696,915.51	5,721,810.72	(1,387,781.71)	(983,831.21)	(296,440.29)	
Interest	19,940.84	20,110.25	22,562.24	23,977.52	23,580.83	28,338.20	28,040.38	26,928.03	19,888.32	6,102.91	(3,498.91)	(1,828.13)	210,988.38
Ending Balance	8,183,621.42	8,781,855.30	9,880,782.45	9,848,864.96	10,331,804.30	10,910,867.88	11,371,341.21	8,725,841.54	5,741,500.04	(1,381,688.80)	(987,430.12)	(288,288.42)	
Monthly Interest Rate	2.832%	2.848%	2.948%	2.942%	2.772%	2.978%	3.024%	3.087%	3.058%	3.372%	3.520%	3.381%	

Piedmont Natural Gas Company, Inc.
Annual Review
2018-4-G

Exhibit__(MBT-2)

Piedmont Natural Gas Company, Inc. - South Carolina
Hedging Account Activity
Annual Prudence Review - Docket No. 2018-4-G
12 Months Ended March 31, 2018
Debits = Due from Customers (Credits) = Due to Customers

Exhibit__ (MBT-2)

	# of Contracts Executed / Exercised	Beginning Balance	Net Options Premium	Fees 1	Margin Requirement (P&L Cash Act)	Consultant Fees	Proceeds from Positions	Fees 2	Interest from Brokerage Account	Other Monthly Fee	Monthly Gain / Loss Transfer
April 2017	16	\$ -	18,240.00	248.00	-	746.00	-	-	-	8.20	19,242.20
May 2017	11	\$ -	12,100.00	170.50	-	746.00	-	-	-	8.20	13,024.70
June 2017	143	\$ -	157,690.00	2,108.00	-	-	(6,090.00)	108.50	-	8.20	153,824.70
July 2017	105	\$ -	126,740.00	1,627.50	-	746.00	-	-	-	8.20	129,121.70
August 2017	82	\$ -	112,240.00	1,271.00	-	746.00	-	-	-	8.20	114,265.20
September 2017	69	\$ -	88,580.00	1,089.50	-	746.00	-	-	-	8.20	88,383.70
October 2017	85	\$ -	115,250.00	1,302.00	-	746.00	(4,400.00)	170.50	-	-	113,068.50
November 2017	-	\$ -	-	-	-	746.00	-	-	-	-	746.00
December 2017	160	\$ -	174,890.00	2,480.00	-	746.00	-	-	-	-	178,116.00
January 2018	-	\$ -	-	-	-	746.00	-	-	-	-	746.00
February 2018	26	\$ -	30,560.00	403.00	-	1,492.00	-	-	-	-	32,455.00
March 2018	91	\$ -	85,880.00	1,410.50	-	746.00	-	-	-	-	98,036.50
Activity Totals			930,150.00	12,090.00	-	8,962.00	(10,490.00)	279.00	-	49.20	941,030.20